

Frequently asked questions for Vista – our simple, regular savings policy

What is the Vista Illustration that my adviser showed me?

An illustration is an example of what an investment may be worth at a point in time, depending on the performance of the fund certain chosen funds and and charges. Can also be referred to as a quote.

What does my Vista illustration show?

Your illustration gives you the projected value of a Vista policy based on your selected level of premiums and selected policy term, the length of time you pay these premiums for.

Your illustration gives you an idea of how much your Vista policy may be worth when it reaches the end of your selected term. It's really useful as you can use it to help you plan ahead for your future savings goals. So, when you get your Vista illustration you should check to make sure your planned regular savings provide you with the cash amount you will need to achieve your goal.

Are the returns in my Vista illustration guaranteed?

No, you should remember it's only an estimate based on a range of assumptions - it isn't guaranteed and it could change between now and when your Vista policy reaches the end of its term. Your Vista policy allows you to build up a cash amount to use for a specific purpose - for example, to pay for school fees. In these instances, you need to target a specific amount to meet your needs.

Why is my initial contribution period important?

Your Vista policy is a term based savings plan. Your goal is to get to a point in the future and have grown your savings plan to reach a certain target amount, whether that is an amount for retirement, an amount for college fees or an amount for a one off purchase. The fuel for this growth, like fuel to power a car engine on a journey, are your monthly premiums.

Your initial contribution period is 18 months, during this period regular premiums will be allocated to initial units. If you have a medium to long term savings goal and you only pay 18 months of premiums, you are very unlikely to achieve that goal. A little like filling up your petrol tank 10% and expecting to be able to drive a long distance.

The initial contribution period is also important as within this 18 month period any units in funds purchased by your regular premiums will not accrue and encashment value. It is important that you understand that your policy starts to carry a positive valuation normally at the end of the initial contribution period, rather than this being the minimum premium payment period.

What does an Initial contribution period (ICP) mean?

During this period regular premiums will be allocated to initial units. After such period the regular premiums are allocated to the accumulation units.

How is the Expense recoupment charge taken from my Vista policy?

The expense recoupment charge is 4% each year of the value of the initial units. The monthly charge taken will be $0.333\% \times \text{current initial unit value}$. Deducted monthly in advance by cancellation of initial units at the start of each policy month, up until the earlier of the maturity date or 25 years.

Can I hold assets such as stocks, shares, cash deposits and structured products within my Vista policy?

No. You can only access the funds available in the Vista fund range. For further details please refer to the Guide to your Investments brochure

What are accumulation units?

All Vista products purchase a combination of initial and accumulation units with the premiums paid. The Accumulation Units are usually purchased once an Initial Charges Period (ICP) is complete. Some charges are deducted from initial units during the ICP.

Why does my Vista valuation show negative accumulation units?

The fixed monthly policy fee is deducted from accumulation units. During the initial contribution period there are no accumulation units applied to the policy; therefore the fixed monthly fee will create negative accumulation units. Once the initial allocation period is complete, subsequent premiums will purchase accumulation units that will in turn reduce the negative unit position.

What is the Vista fund value shown?

The value of the Vista policy based on the selected growth rates in the illustration, with the policy charges taken off as part of the calculation of this value.

How do you work out my estimated Vista policy values?

When we calculate your estimated Vista policy values detailed in the illustration, we make assumptions about what will happen in the future.

We make important assumptions about:

- Future payments will continue in line with selected premium levels
- Future investment growth
- Future insurance benefits being sustained that you take out on your policy

Where we make assumptions that are specific to you, we specify these in the notes in your illustration along with the investment growth rate we've assumed.

Are the value of benefits I get from my Vista policy guaranteed?

You may get less than the amount Vista illustration. The growth rates selected are not guaranteed and performance of investments can go both up, as with the illustration, and down.

The assumptions in the Vista illustration may not reflect your personal circumstances, it is important that the illustration is realistic and therefore useful to you. Having incorrect assumptions, such as premium levels, payment term or selected growth rates can significantly affect the estimate of how much your Vista is worth at the end of its term and what you might get back.

What should I do with the Vista information that is clearly important?

Every year when you get your valuation statement it's a good idea to sit down and work out how your Vista policy is doing compared to this illustration. Just to make sure that your policy stays on track to achieve the goals you have in mind.

What is surrender value shown in my Vista illustration?

The amount you might get if you cash in your policy at a point in time, before the end of the Vista payment term. Please notice on Vista that the surrender value is lower in the early years of the policy. It is also really important to understand that with a Vista policy, there is no surrender value during the initial contribution period – which is typically 18 months.

What is a dormancy charge and will it be charged on my policy?

A Vista policy (issued between April 2005 and June 2015) is given the status 'dormant' when it has been suspended for three years continuously. We start this three year period from the date we were expecting to receive a premium payment from you. We reserve the right to make an additional charge to your policy if it becomes dormant. This additional charge sees the value of your policy adjusted, usually reduced, to reflect the encashment value of the policy.

If you are not currently paying premiums into your Vista policy you should read your Vista Policy Terms and Conditions closely, understand what the dormancy charge is and then speak to your financial adviser about your concerns.